5090 OPTE3/18 August 6, 2015

Edward J. Hannon
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Subj: PLAN FOR COORDINATION BETWEEN NAVY AND NORTHROP GRUMMAN ON RE-108 HOT SPOT, BETHPAGE, NEW YORK

Dear Mr. Hannon,

We are writing in follow-up to your recent correspondence regarding the RE-108 Hot Spot, in particular to clarify the specific additional work that Northrop Grumman ("NG") has agreed to undertake and to formalize the Navy's requests regarding other work that it proposes NG undertake.

First, during our discussion by telephone on June 4, 2015, you agreed, beginning in September 2015, to conduct quarterly testing of additional wells identified in the May 6, 2015 letter, by collecting groundwater samples, analyzing the samples, and providing data to the Navy. You reiterated NG's agreement to conduct this sampling in the letter that you sent via e-mail on July 21, 2015 to Jim Harrington, New York State Department of Environmental Conservation (NYSDEC). The Navy is appreciative of NG's commitment to conduct this sampling.

Second, also during our discussion on June 4, 2015, and reiterated in the letter to NYSDEC, NG agreed to develop a groundwater model for the RE-108 Hot Spot. During our discussion, you further indicated that NG could conduct localized modeling for other areas but you would need to get concurrence from your management. Please advise whether any decision has been made regarding these additional models.

Third, during our discussion on June 4, 2015, and reiterated in the letter to NYSDEC, NG agreed to verify the capacity of its storm water basins to determine if additional water could be discharged to them. Please advise whether this has been done and, if so, what have you learned.

¹The Navy does not agree with NG's characterization of the recently-identified hot spot as the "RE-108/GM-75 hot spot." The Navy's past investigation of the area surrounding GM-75 did not identify a sustained hot spot as defined in the OU2 ROD.

Fourth, your e-mail of July 7, 2015 to us states that NG "is available to participate in any working group sessions for developing the RE108 hot spot work plan(s), reviewing data and other information and/or draft any portions of those plan(s)." We would appreciate your clarification of the extent of NG's participation in any working groups. Please advise whether NG would be an active working member of the work group or merely attending/observing work group sessions.

Fifth, your email of July 7, 2015 to us states that NG can also "provide verbal reviews and comments, participate in phone calls, email exchanges or partake in project updates, reviews and status reporting." Please advise whether NG is willing to participate in all of these activities.

Regarding additional work that NG would undertake pursuant to NG's OU-2 Consent Order with NYSDEC, on June 4, 2015, we discussed the need to acquire property and design, construct, and operate and maintain a treatment system for RE-108.² You indicated that you would discuss these items with your management, and get back to us about which, if any, NG would undertake. You subsequently asked, in your July 7, 2015 e-mail to us, that the Navy "formalize" the request for NG support and submit the requested action items in writing. We now write to state that the tasks the Navy would like NG to assume regarding the RE-108 Hot Spot include the following:

- Acquire/lease property for the anticipated RE-108 Hot Spot Treatment System, including the extraction wells, treatment plant(s), and discharge system; and
- Construct the RE-108 Hot Spot Treatment System.

The Navy would undertake to do the following:

- Design the RE-108 Hot Stop Treatment System; and
- Perform operation, maintenance and monitoring of the RE-108 Hot Spot Treatment System for up to 30 years.

² Because the potential RE-108 Hot Spot activities are in the investigative stage, the exact requirements of the Treatment System are preliminary. Based on the cost estimates in the "Study of Alternatives for Management of Impacted Groundwater at Bethpage," the cost for the property and construction would be approximately \$17 million, and the cost for the design, operation, maintenance, and monitoring for 30 years would be \$17 million (present value).

Finally, we note that in your letter to NYSDEC (attached to your e-mail of July 21, 2015), you communicated NG's position that RE-108 is "primarily the Navy's responsibility" and that this responsibility is "well-established." The Navy continues to disagree with NG's position regarding the scope of the Navy's responsibilities and NG's interpretation of the Navy's OU2 Record of Decision and the Federal Facilities Site Remediation Agreement. To date, there has not been any agreement or determination as to the allocation of liability between NG and the Navy for the contamination caused by NG's operations at Bethpage. Nevertheless, the Navy has been taking response actions as necessary to protect human health and the environment.

It is our intention that the contemplated response actions that are necessary to address the RE-108 hot spot continue to proceed expeditiously. The Navy therefore looks forward to NG's prompt response to the above inquiries and the Navy's formal proposal. If you have any questions or concerns, please contact Ms. Fly at (757) 341-2012 or [HYPERLINK "mailto:lora.fly@navy.mil"]

Sincerely,

NINA M. JOHNSON Northeast IPT Environmental Business Line Team Leader By direction of the Commanding Officer

cc:

NAVAIR, William Cords (e-mail) USEPA, Doug Garbarini (e-mail) NYSDEC, Jim Harrington (e-mail) NYSDEC, Henry Wilkie (e-mail) NYSDEC, Steve Scharf (e-mail) Public Repository (e-mail)